

20 October 2022

Submission to Productivity Commission 5-year Productivity Inquiry *Interim report No. 6: A more productive labour market*

Hireup is a proud employer of disability support workers, and operates using a platform business model. As noted in our recent submission to the Commission's Inquiry into Aged Care Employment, we offer all the advantages of being a platform employer in both the provision of quality and safe care, as well as flexibility and choice for clients and employees.

We would now like to respond to the Commission's Productivity Inquiry *Interim report No. 6*, which considers how best to regulate platform businesses. This report states:

“Platform-based business models can benefit both consumers and some workers, while contributing to productivity through new and more efficiently delivered services. Governments should attempt to address the regulatory challenges associated with platform-based work without unduly constraining its business model.

- *Many forms of platform-based work are not directly comparable with employment relationships. Shoehorning platform work into other employment categories would risk removing benefits to both efficiency and flexibility for workers.*
- *Some types of protection for workers are warranted, such as insurance, safety and dispute resolution.”¹*

Hireup would like to point out that all platform-based disability support work - even under contracting platforms - is directly comparable with employment relationships. In the disability support sector, contracting platforms provide the majority of the administration, training, insurances, client-sourcing, and business operations for their support workers. These contracting platforms play a significant role in all phases of a support relationship, from the workers accessing the platforms to begin with, finding clients, arranging shifts, and getting paid, to having insurance cover, accessing training, and managing any issues. These platforms very much act as employers to their support worker “employees”.

Considering this, when looking at which kinds of regulatory reforms will adequately respond to the growth of the gig economy, we suggest that the NDIS-funded disability support sector should be governed by bespoke workplace rules. This is because:

¹ *Interim report No. 6*, p 33.

1. An award already applies to this exact category of work (the SCHADS award) and, as established above, whether this disability support work is arranged via Hireup's platform or via a contracting platform, it is delivered under either an employment relationship, or a directly comparable relationship; and
2. The NDIS marketplace is 100% taxpayer-funded, thereby requiring stringent regulatory oversight in all respects - and, particularly, worker rights - for reasons of probity and public accountability.

These are both good reasons why all NDIS support workers should be classed as employees. And, if they are not, contractors in this area must receive directly comparable pay and entitlements to those enjoyed by employees.

Finally, the Interim report also states:

“the average hourly rate, net of platform fees, for independent contractors on care platforms is higher than the equivalent weekday employee pay under the Social, Community, Home Care and Disability Industry Award 2010 even accounting for casual loading and superannuation”²

We note that, while this may currently be true for aged care support work, it is less likely to accurately represent the relative rates of pay for disability support work. (In addition, the report's stated average hourly rates for disability support contracting do not factor in the costs associated with independent contractors taking their own workplace insurance, a critical protection against the health and safety risks associated with in-home care work.)

Thank you for the opportunity to respond to the Interim report. We would be pleased to provide any further information that might assist your consideration of these matters.

Yours sincerely

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² Ibid, pp 77-8.